REMARKS

Upon entry of this amendment, claims 1, 2, 4, 6-11, 15-18, 20-22, 25-28, 30-32, and 35-54. will be pending. Claims 1, 15, 26, 35, 43, and 50 are amended. These amendments are supported throughout the specification and particularly by Fig. 2 and 4A. New claims 51 and 53 are supported in the specification at, e.g., Fig. 5, block 515. New claims 52 and 54 are new and are supported in the specification at, e.g., page 10, lines 27-31. These amendments do not introduce any new matter.

Headings are used herein solely for clarity of presentation.

THE REJECTION UNDER 35 U.S.C. § 112

The Office Action rejected claims 1, 2, 4, 6-11, and 50 under 35 U.S.C. § 112, second paragraph, because, in the "developing" step, it was contended that "it is unclear who performs this step".

In response, the independent method claims are amended to more particularly point out that all steps of these method claims are "computer-implemented". In the remaining independent claims, the corresponding program code functions are necessarily computer-implemented.

The "developing" steps have also been amended where necessary to point out that this step, and its sub-steps of "adding", "checking, and "advising", are performed by computers, specifically computers "associated with a customer location that locally store said return policy". Also, the "developing" steps now point out the role of the customer, which is to present, or input, items that are to be added to the list of items to be returned.

It is submitted that these amendments overcome the instant rejections and their withdrawal is respectfully requested.

THE REJECTION UNDER 35 U.S.C. § 102

The Office Action rejected claims 15-18, 20-22, 25-28, 30-32, and 43-50 are being anticipated by US patent no. 4,504,945 to Kunikyo ("Kunikyo"), because it was contended that the recited processing steps are functional and thus not structurally limiting.

Independent claims 15, 26, 43, and 50 are amended to recite memories, and systems comprising memories, with program code "encoded thereon", or "stored therein", respectively, that causes a computer to perform the recited processing steps. Computer memories with stored computer program code are known to be structurally and patentably distinct from computer memories *per se*.

Since Kunikyo does not disclose a memory with stored program code for performing the recited processing steps, this reference cannot anticipate the recited memory structures which do stored program code.

It is submitted that these amendments overcome the instant rejections and their withdrawal is respectfully requested.

THE REJECTION UNDER 35 U.S.C. § 103

The Office Action rejected claims 1, 2, 4, 6-11, 15-18, 20-22, 25-28, 30-32, and 35-50 under 35 U.S.C. § 103(a) as being unpatentable over US patent no. 6,085,172 to Junger ("Junger") in view of US patent no. 6,304,881 B1 to Halim et al. ("Halim") in further view of US patent application publication no. US 2002/0032612 A1 to Williams et al. ("Williams"). Applicants traverse these rejections because the combination of Junger, Halim, and Williams does not disclose each and every element of independent claims 1, 15, 26, 35, 43, and 50.

Specifically, this reference combination does not disclose, teach, or suggest, *inter alia*, the two-step return-policy checking method that is recited in the independent claims. This method uses distributed, cooperative processing in which computers local to a customer but remote from the business establishment make approximate checks on items to be returned using locally-stored return policies, while computers local to the business establishment but remote from the customer make definitive return-policy checks using the current and complete return policies.

Junger and Williams do not describe such distributed cooperative processing methods. They describe and teach only a single return-policy checking step performed only on a single computer system local to the business establishment and remote from the customer. Halim teaches and suggests nothing about the claimed distributed cooperative processing methods or

about order processing; it is concerned only with synchronization of, in particular, personal

information databases.

PENDING CLAIMS

       Claim 1 is representative of all the independent claims, and for convenience is now

presented:

> 1. (Currently amended) A computer-implemented method for a customer
> to return one or more items previously supplied by a business
> establishment to said customer, comprising:
>
>   developing a list of items to be returned by
>
>   adding one or more items presented by said customer to
> said list of items to be returned,
>
>   checking each of said items to be returned with a return
> policy of said business establishment , said checking being performed
> upon each item's addition to said list by computing devices associated with
> a customer location that locally store said return policy, and
>
>   advising said customer of the likely return status of said
> listed items
>
>   presenting said list of items for processing by said business
> establishment;
>
>   identifying a definitive confirmation of said items on said list that
> are authorized to be returnable and/or any of the items that are not
> authorized to be returnable,
>
>   wherein said authorization is performed by computing devices
> associated with said business establishment that store said return policy
> and wherein said return policy includes a dynamic rule that a business
> value condition must be satisfied; and
>
>   presenting said definitive confirmation to said computing devices
> associated with the customer location.

Claim 1 recites the distributed, cooperative processing methods described in the specification.

See the specification at, e.g., Figs. 2, 4A, 4B, and 5. Initial, approximate return-policy checks

are made by computers at the customer's location as the customer selects items for return. Final,

definitive return-policy checks are made by computers at the business establishment's location

upon receiving a list of initially-checked items from the customer's location. Definitive

confirmation of items definitively confirmed for return is then provided to the customer's location.

Certain types of return policies, in particular, dynamic policies, cannot readily be checked at the customer's location with locally-stored return policies. For such policies, during the developing step, the customer-location computers cooperate with the business-location computers. This is recited in claim 51.

DEFICIENCIES OF THE REFERENCES

Junger does not describe or suggest the claimed distributed, cooperative processing methods in which initial return-policy checking performed only at the customer's location is followed by definitive return-policy checking performed only at the business establishment's location (here "manufacturer-side"). Junger describes only a single return-checking policy step performed exclusively by the business establishment's computers and under the sole control of the business establishment. See Junger at col. 2, lines 41-46; and Figs. 2, 3, and 4A-H. Computers at the customer's location only perform data-entry using, for example, HTML formatted displays. This reference never suggests or teaches the distributed processing claimed methods, their desirability, or their likely success for return-policy checking. The Office Action does not contend otherwise.

Williams, like Junger, describes only a single return-policy checking step, also exclusively performed by a single "returns policy engine" running on computers local to the business establishment (here, a merchant). See, Williams at para. 17; and as Figs. 70A-B and 71A-B (and their accompanying description). Throughout, this publication never discloses other than the single "returns policy engine" running on merchant-local computers. Again, the Office Action does not contend otherwise.

Halim adds little if any to Junger and Williams. Halim does not describe or teach the claimed distributed, cooperative processing methods in which initial, approximate return-policy checking is performed by customer-local computers while final, definitive return-policy checking is performed by business-establishment-local computers. Neither does Halim have any teachings concerning processing of orders or of order returns.

This reference describes (only superficially) communication arrangements and message exchanges useful for database synchronization, and their application to personal information databases, such as e-mail databases. See Halim at col. 9, line 34 to col. 12, line 59 (describing e-mail), and Figs. 1A-B, 2A-B, 3, 4, and 5 (illustrating communication and message arrangements). A diligent search of Halim reveals that no teaching at all of distributed, cooperative processing methods that obtain first approximate results on local computers and then second obtain definitive results on remote computers.

Furthermore, the Office Action relies on Halim solely for the mention of data caching on client computers as is known in the art. See Halim at col. 1, lines 64-66; and col. 2, lines 31-40. But data caching is entirely different from distributed, cooperative processing, and Halim's teaching of data caching is not a teaching of the claimed distributed, cooperative processing.

Applicants also point out that storing return policy rules on customer-local computers is not data caching. The return-policy rules are properly part of the processing programs and are not data. In some embodiments, these rules may be encoded directly into these programs so that caching of these rules is neither possible nor useful. In the context of this invention, data is return item data, so that data caching is properly understood to mean receiving and storing (caching) return item data from remote computers, for example, from the business-local computers. Such return-item data caching is not done in this invention. Instead, return item data is entirely input and immediately but approximately checked on the customer-local computers, and then sent all together to business-local computers for definitive checking. Return-item data caching has no use in the claimed invention, because it is all sent to the business-local computers and not from the business-local computers.

Further, Halim's specific disclosure concerns only personal information databases such as calendars, address books, e-mail, and the like. See Halim at col. 10, lines 47-51. Halim never addresses problems and solutions in the fields of commercial information, such as order entry or order return information. Personal information, such as personal address books, have entirely different characteristics than commercial information, such as an enterprise's order returns, and Halim never teaches that methods useful and successful for the former are useful or successful for the latter.

THE PENDING CLAIMS ARE NOT OBVIOUS

In view of the above, Applicants now respectfully submit that the Office Action fails to establish *prima facie* obviousness. The three requirements for *prima facie* obviousness are stated in MPEP § 2143[1] as follows:

> To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations.

Specifically, the references cited in the Office Action fail to, *inter alia*, "teach or suggest all the claim limitations" or provide "some suggestion or motivation . . . to modify the reference or to combine reference teachings".

The requirement that all claim limitations be taught is more specifically set forth in MPEP 2143.03 as follows:

> To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. . . . "All words in a claim must be considered in judging the patentability of that claim against the prior art."

The Office Action does not meet this requirement because, as already discussed, the combination of Junger, Williams, and Halim does not disclose, teach, or suggest, *inter alia*, the distributed, cooperative, and two-step return-policy checking methods recited in the independent claims.

Additionally, the requirement to provide a suggestion or motivation to modify the references is set forth more specifically in MPEP 2143.01 follows:

> [Where the] combination of the references taught every element of the claimed invention, however without a motivation to combine, a rejection based on a *prima facie* case of obvious was held improper.[2] The level of skill in the art cannot be relied upon to provide the suggestion to combine references. (emphasis added)

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[1]   References are to MPEP version 8, revision 2. Citations are generally omitted.

[2]   Discussing *In re Rouffet*, 149 F.3d 1350, 1357, 47 USPQ2d 1453, 1457-58 (Fed. Cir. 1998).

Since as already discussed, neither Halim nor Junger and Williams teach or suggest the key distributed processing methods of this invention, these references clearly cannot suggest the modification of Junger to incorporate these methods, nor provide a likelihood of such a modification's success. For these additionally reasons, the combination of references relied on do not establish *prima facie* obviousness.

Specifically, neither the references nor the Office Action provide a proper and credible reason to modify and combine Halim with Junger and Williams. The Office Action does not contend that a specific explicit reason can be found in the cited references. Instead, it only contends as follows:

> It would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the remote return approval computer system of Junger to include a local copy of this data stored locally to the consumer's computer in order to increase the processing speeds for the consumer.

However, Junger does not suggest that there are any problems at all with processing speeds, much less problems that should be remedied. And Halim has no teachings whatsoever concerning how to increase "processing speeds". The motivation put forth by the Office action, even if proper and credible, is thus hypothetical and finds no support in the references themselves. In the absence of a specific and explicit motivation to modify Junger in view of Halim and Williams present in the references themselves, it is submitted that the Office Action thus merely relies on common skill in the art; and this is improper.

Furthermore, it is submitted that increasing "the processing speeds for the consumer" is not a reason to combine the cited references credible to the skilled artisan confronted with the Office Action's hypothetical problem of processing speeds.

One of ordinary skill in the art would understand that almost entirely discarding Junger's system and replacing it with an untried substitute is at best risky, slow, and expensive. On the other hand, there are many far simpler ways to increase "the processing speeds for the consumer" that are virtually certain to succeed. For example, the artisan can simply, reliably, and quickly increase "the processing speeds for the consumer" by increasing the computing resources of Junger's business-local computer system by, for example, improving processor power, adding additional processors, increasing secondary storage size, choosing faster communication

methods, or the like. Since these simple methods are all without risk, increasing "the processing speeds for the consumer" is not a credible motivation for one of ordinary skill in the art to undertake the risk of modifying Junger's methods.

Therefore, it is respectfully submitted that, on the record, teachings of distributed, cooperative processing and suggestions to employ it for order return applications can be found only in the Applicants' own disclosure. MPEP § 2143 states in this regard:

> The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure.

In other words, it is respectfully suggest that the Office Action appears to engage in impermissible hindsight reconstruction of the claimed invention.

PATENTABILITY OF THE REMAINING CLAIMS

Independent claims 15, 26, and 35 all include the additional limitation that the return policies include a dynamic rule depending on "a current market condition, an inventory level, a current demand, a weather condition, a seasonal factor". The Office Action does not address these limitations, or point out where they are disclosed in the cited references. Since neither Junger, Williams nor Halim are submitted to disclose or suggest such conditions, these claims are patentable for this additional reason.

Dependent claim 51 also recites that initial evaluation of dynamic rules requires cooperation between customer-local computers and business-local computers. Since neither Junger, Williams nor Halim disclose or suggest such a processing method, this claim is submitted to be patentable for this additional reason.

Dependent claim 52 also recites a dynamic business value condition that includes thresholds for amount of business and the number of returns generated by a customer. It further requires an additional step of granting a customer an exception to return policies if these thresholds are satisfied. Since neither Junger, Williams nor Halim disclose or suggest such a condition or processing step, this claim is submitted to be patentable for this additional reason.

Finally, the remaining dependent claims are submitted to be also patentable because their parent independent claims are non-obvious for the above reasons.
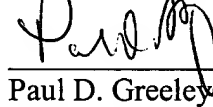
In summary, it is submitted that these remarks overcome the instant obviousness rejections and their withdrawal is respectfully requested.

CONCLUSION

In view of the foregoing, Applicants respectfully submit that all the Examiner's objections and rejections have been addressed and that all of the claims in the present application are allowable. Accordingly, Applicants respectfully request that the claims be reconsidered and passed to allowance.

Respectfully submitted,

1-20-05
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Date

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